

## CHAPTER CXXVIII.

[H. B. No. 248.]

AUTHORIZING CITIES AND TOWNS TO BORROW MONEY  
AND TO ISSUE BONDS.

AN ACT to authorize cities and towns to borrow money for municipal purposes and to issue negotiable bonds therefor.

*Be it enacted by the Legislature of the State of Washington:*

SECTION 1. Each and every incorporated city or town in this state, and each and every city or town that may hereafter be incorporated in this state, is hereby authorized and empowered, by and through its council, to contract indebtedness or borrow money for strictly municipal purposes on the credit of such corporation, and to issue negotiable bonds therefor, whenever the council of such city or town deems it advisable, not exceeding an amount, together with the existing indebtedness of such city or town, of one and one-half per centum of the taxable property of such city or town, to be ascertained by the last assessment for city or town purposes previous to the incurring of such indebtedness: *Provided, however,* That such council shall not create, audit, allow nor permit to accrue any debts or liabilities in excess of such amount except as hereinafter provided.

Limit of  
amount.

SEC. 2. Whenever the council of any such city or town shall deem it advisable that such city or town of which they are such officers shall, for strictly municipal purposes, create an indebtedness or borrow money and issue its negotiable bonds therefor in an amount which, taken together with the existing indebtedness of such city or town, exceeds the amount specified in the preceding section, the council shall provide therefor by ordinance, which ordinance shall state the amount of such indebtedness so desired to be created, or the amount of money so desired to be borrowed, as the case may be, and the same shall be submitted for the ratification or rejection to the qualified electors of such city or town at a special election, of which fifteen days' notice shall be given in the paper doing the city printing, by publication in each issue of said paper during said time.

Submitted to  
vote.

SEC. 3. Said election shall be conducted consistent with

the general election laws of this state. If the question submitted at such election be that of creating an indebtedness, other than that of borrowing money, the ballots used shall contain in substance the following: "Shall the city of, or town of (as the case may be), for [here state purpose], incur an indebtedness of \$——? Indebtedness, yes. Indebtedness, no." The elector shall so prepare said ballot by striking therefrom the words "Indebtedness, yes," or, "Indebtedness, no," so that the remaining portion of said ballot shall express his vote on said question. If the question submitted at such election be that of borrowing money and issuing negotiable bonds therefor, the ballots used shall contain in substance the following: "Shall the city of, or town of (as the case may be), for municipal purposes, borrow \$——, and issue its negotiable bonds therefor? Bonds, yes. Bonds, no." The elector shall so prepare said ballot, by striking therefrom the words "Bonds, yes," or, "Bonds, no," so that the remaining portion of said ballot shall express his vote on said question.

SEC. 4. If three-fifths of the legal ballots cast on said question of incurring such indebtedness be in favor of "Indebtedness, yes," the council of such city or town must incur such indebtedness in due and legal form. If three-fifths of the legal ballots cast on said question of issuing bonds be in favor of "Bonds, yes," said city or town shall be deemed to be authorized to borrow the amount of money so voted for, and issue its negotiable bonds therefor, and it shall be the duty of the council of such city or town so to do; subject, however, to the condition that the total indebtedness herein provided for shall not exceed in amount, together with the existing indebtedness of such city or town, five per centum of the taxable property of such city or town, to be ascertained by the last assessment of such city or town for city or town purposes previous to the incurring of such indebtedness: *And provided further*, That no portion of the money by this act authorized to be borrowed shall ever be used for other than strictly municipal purposes.

Limiting use of money.

SEC. 5. All bonds, whether issued by authority of the council alone, as in section one of this act such council is empowered to do, to the amount therein provided, or issued

in pursuance of the special election herein provided for, shall be issued in denominations of not less than one hundred or more than one thousand dollars; shall be numbered from one up, consecutively; shall bear the date of their issue; shall be payable not more than twenty years from date, and shall bear interest not exceeding six per cent. per annum, payable semi-annually, with interest coupons attached, and the principal and interest shall be payable at such place as may be designated in said bonds. The bonds and each coupon shall be signed by the mayor, and attested by the clerk under the seal of the city or town.

Denomination  
and terms of  
bonds.

SEC. 6. Said bonds shall be printed, or engraved or lithographed on good bond paper, and a copy of this act, together with the ordinance of the city or town authorizing and directing such special election when such bonds are issued in pursuance of an election, shall be printed on each bond, together with a statement signed by the mayor and clerk of such city or town, showing the result of such election: *Provided*, That where bonds are issued by the council pursuant to section one of the act, and without an election, a copy of this act, together with the ordinance authorizing the borrowing of such money and the issuing of such bonds, shall be printed on each bond; which ordinance shall contain a statement showing the assessed valuation of all the taxable property of such city or town, to be ascertained by the last assessment for city or town purposes previous to the date of the passage of such ordinance, together with the amount of the existing indebtedness of such city or town at the date of the passage of such ordinance, which indebtedness shall include the amount for which such bonds are issued, and also a statement signed by the mayor and clerk of such city or town showing that such ordinance was passed by the votes of at least four councilmen, and also the date of the approval and publication of such ordinance.

SEC. 7. Such bonds shall be sold in such manner as the corporate authorities shall deem for the best interest of the city or town. The treasurer of such city or town shall keep a register of all bonds, which register shall show the number, date, amount, interest, name of payee, and when

Bond register.

and where payable, of each and every bond executed, issued or sold under the provisions of this act.

Special tax.

SEC. 8. There shall be levied each year upon the taxable property of such city or town, as the case may be, in addition to the tax for other purposes in said city or town, a tax sufficient to pay the interest on such bonds as the same accrues, and before seven years prior to the maturity thereof, an annual sinking fund tax sufficient for the payment of said bonds at maturity, which taxes shall become due and collectible as other taxes.

SEC. 9. If the council of any city or town which has issued bonds under the provisions of this act shall fail, neglect or refuse to make the levy necessary to pay such bonds and interest coupons at maturity, and the same shall have been presented to the treasurer of such city or town, and payment thereof refused because of such failure, neglect or refusal to make such levy, the owner may file such bond, together with all unpaid coupons, with the auditor of the county in which such city or town is situated, taking his receipt therefor, and the same shall be registered in the auditor's office of such county in like manner and form as the same was originally registered by the treasurer of the city or town issuing the same; and the county commissioners of such county shall, at their next session thereafter at which they shall levy the annual county tax, and each annual levy thereafter, add to the county tax to be levied in said city or town a sufficient rate to realize the amount of principal and interest past due and to become due prior to the next annual levy, and the same shall be collected as part of the county tax and paid into the county treasury and passed to the credit of such city as a bond tax, and shall be paid by the treasurer of the said county, on warrants drawn by the county auditor as the payments mature, to the holder of such bond, as shown by the register of the county auditor, until the same shall be fully satisfied and discharged; *Provided*, That nothing in this section shall be construed to limit or postpone the right of any holder of any such bonds to resort to any other remedy which such holder might otherwise have.

SEC. 10. The provisions of this act shall not be con-

strued as applying to borrowing money and issuing bonds by any city or town for the purpose of supplying such city or town with water, artificial light and sewers, or either or both or all such water works, artificial light or sewers, where the works for supplying such water, light and sewers shall be owned and controlled by such city or town; but in all things relating to such named purposes, the provisions and amendments thereto of an act entitled "An act authorizing cities and towns to construct internal improvements and to issue bonds to pay therefor, and declaring an emergency," which said act was approved March 26, 1890, shall be and remain in full force and effect.

Limit of construction of this act.

SEC. 11. The provisions of this act shall not be construed as in any manner applying to cities of the first class.

SEC. 12. That sections thirty-nine, one hundred and twenty, one hundred and twenty-one, one hundred and fifty-seven and one hundred and fifty-eight, of an act entitled "An act providing for the organization, classification, incorporation and government of municipal corporations, and declaring an emergency," which act was approved March the 27th, 1890, be and the same are hereby repealed; and all other acts and parts of acts in conflict with any of the provisions of this act are also hereby repealed.

Repealing clause.

SEC. 13. There being no law in this state authorizing cities and towns to borrow money and issue negotiable bonds for municipal purposes, other than those for sewer, water and light, and many needed municipal purposes are being seriously delayed thereby, an emergency exists; therefore, this act shall take effect and be in force from and after its approval by the governor.

Emergency.

Approved March 7, 1891.